

AMENDMENTS TO THE SPECIFICATION:

Please replace the first full paragraph beginning with "FIG. 3" on page 5 of the specification with the following paragraph:

FIG. 3 shows an example of the transmission ~~char~~characteristics of an AOTF (acousto-optic tunable filter) as the tunable wavelength selecting element. More specifically, there are shown the transmission characteristics at the add port, the drop port, and the through port of the AOTF for the four wavelength channels of wavelengths λ_1 to λ_4 . In the transmission characteristic at the through port, the relation between a wavelength spacing ($\Delta\lambda$) and a rejection band width (Δw) is $\Delta w < \Delta\lambda$. With this transmission characteristic at the through port, the signal components of the wavelengths to be rejected can be sufficiently removed, and coherent crosstalk can therefore be suppressed to thereby minimize the influence of a certain one of the wavelength channels to the other wavelength channels (the wavelength channels passing through the tunable wavelength selecting element).

Please replace the second paragraph beginning with "FIG. 2" on page 10 with the following paragraph:

FIG. 2 is a block diagram for illustrating the oscillation of optical power in an optical ring network in the prior art;

Please replace the third paragraph beginning with "FIG. 3" on page 10 with the following paragraph:

FIG. 3 is a block diagram showing an example of the transmission characteristic of a tunable wavelength selecting element in the prior art;